

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA)
FUNDING SUMMARY**

Applicant:	Siskiyou Family Healthcare, Inc. (“Siskiyou”)	Amount Requested:	Not to exceed \$50,000
Applicant Address:	700 South Main Street, Suite 1 & 3 Yreka, CA 96097 Siskiyou County	Resolution Number:	2008-23
Date Requested:	August 14, 2008	Loan Term:	No later than 45 days following the adoption of a 2008-2009 budget by the State of California
Background of Financing:	Many community clinics are facing unanticipated and staggering financial burdens associated with the current State budget impasse and delayed Medi-Cal reimbursements; hence they are not receiving their regular Medi-Cal reimbursements. Consequently, Siskiyou Family Healthcare is seeking funding to bridge this financial gap in order to finance vital health services for its communities.		
Purpose:	Loan proceeds will be used to offset Medi-Cal reimbursements delays due to the State’s budget impasse.		
Financial Overview:	Siskiyou Family Healthcare was founded in 1991. Siskiyou’s FY 2007 (-0.65)X debt service coverage ratio does not meet the minimum CHFFA debt service coverage requirement of 1.10X. In FY 2007, Siskiyou realized an operating loss of \$78,635 as a result of an increase in payroll costs and professional fees. Significant operating losses can also be attributed to a slight decline in patient visits. This loan is expected to help sustain Siskiyou’s daily operations until the State budget passes.		
Financing Structure:	<ul style="list-style-type: none"> ▪ The entire loan balance shall be repaid in full no later 45 days following the adoption of a 2008-2009 budget by the State of California. ▪ Loan proceeds are to be disbursed on an as-needed basis in a total amount not to exceed the Siskiyou’s third-party-approved Medi-Cal claim. ▪ Loan origination fee of 1.25% and 0% interest rate. ▪ Lien on gross revenues. 		
Due Diligence:	<p>Due diligence of the following items has been completed or will be completed prior to closing:</p> <ul style="list-style-type: none"> ▪ Religious Due Diligence ▪ Legal Review ▪ Community Service Obligation ▪ CEQA/Seismic/Pass through (Not required) 		
Staff Recommendation:	Staff recommends the Authority approve a Resolution in an amount not to exceed \$50,000 for Siskiyou Family Healthcare subject to financing terms acceptable to the Authority.		

Siskiyou Family Healthcare
Financial Position

	As of December 31,		
	2007	2006	2005
Assets:			
Current assets:			
Cash	\$ 94,334	\$ 158,599	\$ 234,889
Short-term investments	10,712	15,000	-
Accounts receivable	106,720	129,591	82,121
Grants and contracts	-	-	5,057
Prepaid expenses	2,972	1,736	-
Inventory	15,000	15,000	15,000
Total Current Assets	229,738	319,926	337,067
Fixed assets, net	180,281	185,534	167,992
Total assets	\$ 410,019	\$ 505,460	\$ 505,059
Liabilities and net assets:			
Current liabilities:			
Accounts payable	\$ 8,684	\$ 5,072	\$ 7,450
Accrued wages and vacation	44,238	44,354	46,551
Deferred revenue, grants and contracts	21,090	41,392	35,646
Total current liabilities	74,012	90,818	\$ 89,647
Net assets:			
Unrestricted	336,007	414,642	415,412
Total net assets	336,007	414,642	415,412
Total liabilities and net assets	\$ 410,019	\$ 505,460	\$ 505,059

Financial Ratios:

Proforma (a)
FYE June, 2007

Debt service coverage (x)	(0.65)	N/A (b)	N/A	N/A
Debt/Unrestricted Net Assets (x)	0.12	N/A	N/A	N/A
Margin (%)		(6.96)	(0.07)	4.98
Current Ratio (x)		3.10	3.52	3.76

(a) Recalculates 2007 audited results to include the impact of this proposed financing.

(b) N/A because Siskiyou has no long-term debt.

Siskiyou Family Healthcare
Statement of Activities
(Unrestricted)

	For the Year Ended December 31,		
	2007	2006	2005
Revenue and support:			
Net patient service revenue	\$ 1,025,824	\$ 1,031,963	\$ 1,101,996
Grants and contracts	100,907	123,840	67,619
Interest income	2,049	166	263
Other	1,375	323	912
Total revenue and support	1,130,155	1,156,292	1,170,790
Expenses:			
Payroll and payroll taxes	891,519	838,267	791,271
Office, utilities, and related expenses	73,755	70,225	87,454
Medical supplies and services	60,732	61,824	85,021
Depreciation	45,990	39,391	31,169
Professional fees	41,601	37,225	14,180
Rent	29,248	28,733	19,705
Bad debts	18,190	8,664	10,050
Other insurance	15,294	25,983	23,023
Benefits	13,754	24,463	20,851
Professional liability insurance	12,508	13,617	12,587
Travel	2,981	3,780	4,231
Repairs and maintenance	2,587	2,377	10,663
Advertising and promotion	616	2,485	2,181
Finance charges	15	28	94
Total expenses	1,208,790	1,157,062	1,112,480
Change in unrestricted net assets	(78,635)	(770)	58,310
Unrestricted net assets, beginning of year	414,642	415,412	357,102
Unrestricted net assets, end of year	\$ 336,007	\$ 414,642	415,412